



International Trade Administration Commission of South Africa

Report No. 17

Revision of the customs tariff dispensation with respect to black tea

**The International Trade Administration Commission herewith presents its
Report No. 17: REVISION OF THE CUSTOMS TARIFF DISPENSATION
WITH RESPECT TO BLACK TEA**


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Ms N P MAIMELA
CHIEF COMMISSIONER

PRETORIA

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REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

REPORT NO. 17

REVISION OF THE CUSTOMS TARIFF DISPENSATION WITH RESPECT TO BLACK TEA

Synopsis

The Board, which has subsequently been replaced by the International Trade Administration Commission of South Africa, decided to investigate the customs tariff dispensation on black tea classifiable under tariff subheadings 0902.30 and 0902.40, which provides for a duty of 400c/kg. A separate application for a reduction in the rate of duty on black tea, from National Brands, was included in the investigation. The reason for the investigation followed from the Board's recommendation in its Report No. 3803, in which it was recommended that an investigation into a revision of the rate of duty on black tea be published within three years after implementation, with a view to reducing the duties.

The Board noted the financial difficulties experienced by the industry in general, the very vulnerable position of certain tea producers and the increased foreign competition which the industry will experience as a result of trade liberalization in terms of the SADC and EU agreements.

The Board concluded that a reduction in the rate of duty would not contribute to the optimal development of the industry and decided to recommend that the existing level of duty be maintained. The Board furthermore decided that import control on black tea be abolished.

Discussion

The Board, which has subsequently been replaced by the International Trade Administration Commission of South Africa, decided to investigate the customs tariff dispensation on black tea classifiable under tariff subheadings 0902.30 and 0902.40, which provides for a duty of 400c/kg. The application was published in the Government Gazette on 18 January 2002.

2. A separate application for a reduction in the rate of duty on black tea, from National Brands, was included in the investigation.
3. The reason for the investigation followed from the Board's recommendation in its Report No. 3803, in which it was recommended that an investigation into a revision of the rate of duty on black tea be published within three years after implementation, with a view to reducing the duties.
4. Comments were received from 21 interested parties of which 18 supported the application for a reduction in the rate of duty on black tea.
5. The Board noted the financial difficulties experienced by the industry in general, the very vulnerable position of certain tea producers and the increased foreign competition, which the industry will experience as a result of trade liberalization in terms of the SADC and EU agreements.

Recommendation

6. In view of the above, the Board recommended that the existing level of duty on black tea be maintained and that import control on black tea be abolished.

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